

## Fund Financial Plans

### 2012 Adopted Budget Financial Plan Seattle City Light (Fund 41000)

Amounts in \$1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Cash Balance	64,334,520	183,548,957	197,132,840	303,937,379	257,437,954	282,313,428	252,580,422
Carry Forward / Encumbrances/Adjustments							
Revised Beginning Cash Balance	64,334,520	183,548,957	197,132,840	303,937,379	257,437,954	282,313,428	252,580,422
<b>Revenues</b>							
Retail Power Sales before Discounts	608,597,351	651,528,445	664,498,659	678,946,306	734,321,025	784,222,625	816,804,858
Revenue from RSA Surcharge	18,348,507	0	0	0	0	0	0
Wholesale Power, Net	54,151,397	96,823,607	110,552,086	60,470,941	104,253,869	101,040,761	99,096,699
Power Contracts	19,829,036	21,206,939	17,056,214	15,961,597	16,547,786	17,020,398	16,056,549
Power Marketing, Net	14,085,877	15,608,356	16,098,671	7,952,887	8,430,427	8,946,886	7,319,457
Other Outside Sources	31,379,069	30,139,990	31,306,752	34,511,897	30,380,957	31,167,967	32,236,978
Interest on Cash Accounts	3,846,132	4,514,248	5,187,343	5,377,885	6,721,373	8,188,127	10,278,225
Cash from (to) Rate Stabilization Account	(54,265,627)	(22,033,254)	(59,734,397)	41,619,061	48,053	(872,339)	(2,655,968)
Cash from Contributions	21,284,913	31,607,783	15,917,127	30,387,741	26,520,562	23,395,295	23,546,403
Cash from Bond Proceeds	175,847,865	188,296,538	153,725,502	212,761,537	235,529,652	217,765,195	162,982,681
<b>Total Revenues</b>	<b>893,104,521</b>	<b>1,017,692,652</b>	<b>954,607,957</b>	<b>1,087,989,852</b>	<b>1,162,753,704</b>	<b>1,190,874,916</b>	<b>1,165,665,882</b>
<b>Expenditures</b>							
Power Contracts	(268,865,453)	(272,929,250)	(257,391,495)	(266,098,516)	(295,328,398)	(307,695,370)	(317,231,130)
Production	(28,308,908)	(34,916,425)	(33,505,738)	(35,792,484)	(36,577,193)	(37,699,132)	(38,903,772)
Transmission	(7,616,076)	(9,467,918)	(8,771,647)	(9,658,979)	(9,873,939)	(10,095,015)	(10,322,566)
Distribution	(54,630,469)	(67,199,039)	(63,995,617)	(67,973,687)	(66,596,860)	(68,080,486)	(69,688,151)
Conservation	(3,215,344)	(11,031,407)	(7,183,713)	(11,572,455)	(8,247,906)	(8,455,982)	(8,646,602)
Customer Accounting	(28,106,370)	(29,999,327)	(30,034,299)	(30,600,515)	(31,239,418)	(31,935,684)	(32,689,337)
Administration	(47,557,606)	(70,222,686)	(66,166,037)	(64,926,425)	(79,789,443)	(75,591,315)	(72,422,485)
Rate Discounts	(6,410,293)	(6,826,147)	(6,948,869)	(7,011,266)	(7,604,547)	(8,078,656)	(8,403,816)
Uncollectable Accounts	(8,030,451)	(5,847,876)	(6,331,471)	(6,097,521)	(6,591,338)	(7,037,067)	(7,330,867)
Taxes and Franchise Payments	(70,380,947)	(73,622,669)	(74,900,059)	(78,044,094)	(85,107,550)	(90,315,545)	(92,694,819)
Debt Service	(118,371,944)	(142,658,754)	(142,079,534)	(172,814,672)	(177,824,443)	(196,653,223)	(206,317,621)
Capital Expenditures	(218,609,847)	(290,700,410)	(290,286,533)	(319,830,845)	(334,096,086)	(323,566,741)	(278,230,574)
Technical and Accounting Adjustments	99,797,507	40,205,971	139,791,595	(64,067,817)	998,892	(55,403,707)	7,243,794
<b>Total Expenditures</b>	<b>(760,306,201)</b>	<b>(975,215,936)</b>	<b>(847,803,418)</b>	<b>(1,134,489,277)</b>	<b>(1,137,878,229)</b>	<b>(1,220,607,922)</b>	<b>(1,135,637,946)</b>
<b>Ending Cash Balance</b>	<b>197,132,840</b>	<b>226,025,673</b>	<b>303,937,379</b>	<b>257,437,954</b>	<b>282,313,428</b>	<b>252,580,422</b>	<b>282,608,358</b>
<b>Reserves</b>							
Construction Account	(56,981,424)	0	(13,807,551)	0	(75,449,168)	(29,503,733)	(28,075,472)
Other Restricted Accounts	(3,954,122)	(13,966,061)	(15,822,821)	(28,026,748)	(48,811,767)	(72,538,765)	(98,276,780)
Operating Contingency Reserve	0	0	0	0	0	0	0
Rate Stabilization Account	(79,265,627)	(101,102,938)	(139,000,024)	(97,380,963)	(97,332,910)	(98,205,249)	(100,861,217)
<b>Total Reserves</b>	<b>(140,201,173)</b>	<b>(115,068,999)</b>	<b>(168,630,396)</b>	<b>(125,407,711)</b>	<b>(221,593,846)</b>	<b>(200,247,747)</b>	<b>(227,213,469)</b>
<b>Unreserved Ending Cash Balance</b>	<b>56,931,666</b>	<b>110,956,674</b>	<b>135,306,982</b>	<b>132,030,242</b>	<b>60,719,582</b>	<b>52,332,674</b>	<b>55,394,889</b>

**NOTES:**

The Financial Plan represents the forecasted cash flows used in the utility's Financial Planning Model (FPM) as of 8/12/11, which was used to develop the 2012 Proposed Budget. The FPM is used to evaluate City Light rate impacts, potential bond offerings, and the financial performance of the utility. The FPM is updated weekly and is expected to deviate from this Financial Plan over time.

The Financial Plan has been revised to reflect Council's budget action on the 2012 Adopted Budget. Council directed additional surplus funds into the RSA at the end of 2011 which is projected to bring the RSA to \$139 million and eliminate the need for an RSA Surcharge. The Financial Plan has been revised to show an increased drawdown of the RSA, no anticipated revenue from the RSA Surcharge, and reduced balances in the Light Fund.

The Financial Plan differs from the revenue and expenses shown in the 2011 Adopted and 2012 Adopted Budget in several ways, including:

- a) The Financial Plan shows Wholesale Revenue and Power Marketing Revenue as net of expenses, while the budget reflects the gross revenues and expenses of these functions.
- b) The Financial Plan shows retail revenue as gross revenue, while the budget's Revenue Table shows retail revenue net of rate discounts to low-income customers.
- c) The Financial Plan explicitly shows bond proceeds as a source of funds, while bond proceeds are embedded within the transfer line of the budget's Revenue Table.

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## 2012 Adopted Budget Financial Plan Seattle City Light (Fund 41000)

(Cont'd.)

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Unreserved Ending Cash Balance	56,931,666	110,956,674	135,306,982	132,030,242	60,719,582	52,332,674	55,394,889

### NOTES:

d) The Financial Plan shows revenue from the Rate Stabilization Account (RSA) surcharge and transfer from/to the RSA, while the budget's Revenue Table shows revenues from the RSA surcharge only.

e) The Financial Plan projects 2012 net wholesale revenue based on the 8/12/11 FPM forecast, which is \$41.6 million lower than the RSA target amount of net wholesale revenue. The Fund Table and Revenue Table in the 2012 Adopted Budget use the RSA target amount for net wholesale revenue and assume that there will be no drawdown of the RSA in 2012.

Financial Performance	2010 Actuals	2011 Adopted	2011 Revised	2012 Proposed	2013 Projected	2014 Projected	2015 Projected
Average System Rate before Discounts (\$/MWh)	\$64.70	\$69.17	\$68.88	\$70.49	\$75.88	\$80.47	\$83.23
Rate Change from Prior Year (Systemwide)	13.8%	4.3%	4.3%	3.2%	7.6%	6.0%	3.4%
Retail Market Information							
Average Residential Monthly Bill (before discounts)	\$51.71	\$53.81	\$53.50	\$54.97	\$60.28	\$63.52	\$65.02
Percentage Change	17.5%	1.9%	3.5%	2.8%	9.7%	5.4%	2.4%
Cash Financing of CIP							
In-Year Percentage	20%	35%	47%	33%	30%	33%	41%
2011-2016 Average Percentage	n/a	41%	38%	38%	38%	38%	38%
Debt Service Coverage	1.78	1.80	2.09	1.79	1.80	1.80	1.80

### NOTES

f) The data source for 2010 Actuals for all Financial Performance indicators except for Debt Service Coverage is the current rate forecast for 2011-2015

g) The Average Residential Monthly bill is reported as calculated in the financial forecast model Key Financial Indicators table, which assumes that average residential consumption is 710kWh